



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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May 1, 2019

Mr. Jarrett Thiessen, Chief Information Officer
Placer County Department of Information Technology
2986 Richardson Drive
Auburn, CA 95603

Re: Transfer of Accountability of Assets

Dear Mr. Thiessen:

The purpose of our review was to determine whether there has been a proper transfer of accountability of the assets under the control of the former Director of the Administrative Services Department, Jerry Gamez, to you as the new Chief Information Officer of the Department of Information Technology (IT Department) due to the County re-organization transitioning the divisions of Information Technology and Telecommunications as a new department and the dissolution of the Administrative Services Department (Department). During our review, we made inquiries with department personnel, physically verified capital assets, and reviewed supporting asset documentation as of December 21, 2018 and January 1, 2019.

As a result of our review, we have determined the accountability of the assets of the Department has been properly transferred to the IT Department.

However, during the course of our review, we noted other areas where internal controls could be strengthened. Accordingly, our observations and recommendations are as follows:

Missing Capital Asset

During our testing of the Department's capital assets, we noted the Department could not locate Fixed Asset #30977 Dell Autodialer (s/n: 0T7570) with net value of \$1,854 at 12/31/2018.

Due to the misplacement of Fixed Asset #30977 Dell Autodialer (s/n: 0T7570), the IT Department should submit a memorandum to the Auditor-Controller, requesting a release from accountability for the capital asset that was misplaced. Once this memo is received, the

Auditor-Controller's Office will update Workday to reflect the reduction in the asset's value due to disposal.

IT Department Response:

Asset #30977, Dell Autodialer (s/n: OT7570), was identified as a non-operational piece of equipment and was transferred from the Health and Human Services Department (HHS) to the Administrative Services Surplus sub-location on November 12, 2014. At that time, the Autodialer was not identified as a fixed asset on the transfer form and was not transferred in the system as a capital asset to the Surplus sub-location. Non asset equipment is disposed of as E-waste from Surplus and are not tracked individually, therefore no record of this final asset disposal can be located.

In January 2018, HHS staff emailed Administrative Services about three fixed assets that were identified in their inventory that were thought to belong to Information Technology (IT). After further research, it was confirmed that the three assets in question were in the IT Department and HHS staff sent the transfer forms to be signed. When the transfer forms were received, there was a fourth asset #30977 included, which was signed for and transferred to IT/Telecom sub-location 1105 inadvertently. Asset #30977, Dell Autodialer, is not a piece of equipment that belongs to IT as it was sent to Surplus in 2014 and needs to be taken off the sub-location 1105 capital asset inventory list.

Going forward, when signing and approving the transfer of a capital asset, a physical count will take place to ensure the information is accurate prior to approving the transfer.

Non-Capital Assets

Based on our review, we noted the Department does not have a central location/division that maintains the complete record of the Department's non-capital assets, such as laptops, cell phones, small printers, portable scanners, etc., thus making it difficult to ensure all County property is accounted for and all issued property is returned upon separation of an employee. Due to the Department not having a current centralized tracking methodology in place for non-capital assets, we were not able to rely on data provided and test the existence of the Department's non-capital assets nor provide a determination if non-capital assets of the Department has been properly transferred.

We recommend the IT Department develop a methodology to track and maintain the complete record of the IT Department's non-capital assets, such as laptops, cell phones, small printers, portable scanners, etc., in a central location, to ensure all County property is accounted for and all issued property is returned upon separation of an employee. We also recommend the IT Department utilize this record as part of an exit checklist to ensure all issued property is returned upon separation of an employee.

IT Department Response:

The IT Department acknowledges that a comprehensive report is not currently available listing all non-capital assets from a single centralized system. The IT Department records the deployment of non-capital assets in multiple systems based on the type of equipment and the program/division managing the equipment. Reports on non-capital devices issued to individual users are available but data must be gathered from multiple systems. Laptop and desktop computers are tracked in the ServiceNow asset tracking system and a comprehensive report for all department users is currently available from ServiceNow. The IT Department will add other non-capital assets, such as cell phones, tablets, and small printers, to the ServiceNow asset tracking system. The non-capital asset report will be available in ServiceNow by October 30, 2019.

The IT Department's responses to our recommendations identified in our review are included above. We did not audit the responses and accordingly, we do not express an opinion on them.

We appreciate the courtesy and cooperation of staff throughout the course of this review.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Nicole C. Howard'.

Nicole C. Howard, CPA
Assistant Auditor-Controller

cc: Melissa Spak, Administrative and Fiscal Operations Manager
Placer County Audit Committee